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PACOM AND EUCOM FOR POLADS

E.O. 11652: GDS
TAGS: PINT, PFOR, MNUC, MASS, PK, US
SUBJECT: PAKISTAN - SIX MONTHS AFTER THE COUP

REF (NOTAL): (A) ISLAMABAD 12400, (B) ISLAMABAD 0193, (C)

ISLAMABAD 0216, (D) ISLAMABAD 0254, (E) ISLAMABAD 10505, (F)
ISLAMABAD 10273

1. SUMMARY: ON JULY 5, 1977, AFTER A PERIOD OF WIDESPREAD INTERNAL DISORDER, THE CHIEF OF ARMY STAFF, GENERAL ZIA-UL-HAQ -- A POLITICAL NEOPHYTE -- TOOK POWER. THE NATION BREATHED AN ALMOST AUDIBLE SIGH OF RELIEF AS THE GENERAL -- IN TRUE MILITARY COUP TRADITION -- PROMISED PAKISTAN HIS REGIME WOULD CLEAN OUT THE POLITICAL STABLES, GIVE THE NATION A NEW SENSE OF DIRECTION, AND THEN HOLD HONEST ELECTIONS, ALL OF THIS IN 90 DAYS. FEW WERE SURPRISED, OR EVEN DISAPPOINTED, WHEN THE GENERAL HAD TO ACKNOWLEDGE SOME TIME LATER THAT THE JOB WOULD TAKE LONGER THAN HE HAD THOUGHT. INDEED THERE WERE AND CONTINUE TO BE WIDESPREAD EXPECTATIONS, MIXED WITH HOPE, THAT THE GENERAL WILL REMAIN A MAN OF HIS WORD AND THAT ELECTIONS WILL IN TIME BE HELD. TO THE MAN AT THE ROADSIDE, THE RELATIVE ORDERLINESS OF THE MLA SEEMED STILL TO BE PREFERABLE TO THE UNCERTAINTIES AND DANGERS WHICH PRECEDED IT. AS TIME HAS GONE ON, HOWEVER, THE PROBLEMS WHICH HAVE DAUNTED ALL OF PAKISTAN'S RULERS SINCE 1947 HAVE BEGUN TO MAKE THEMSELVES FELT ON THE GENERAL. WHILE THE PUBLIC AS A WHOLE STILL GENERALLY SUPPORTS HIS MARTIAL LAW ADMINISTRATION (MLA), ZIA'S INABILITY TO DELIVER HOPED-FOR POLITICAL AND ECONOMIC MIRACLES, COUPLED WITH THE STERILITY OF THE REST OF THE POLITICAL SCENE, POSES SERIOUS QUESTIONS ABOUT THE FUTURE OF THE MLA AND OF THE POLITICAL PROCESS HERE. THIS SITUATION ALSO HAS IMPLICATIONS FOR OUR ABILITY TO DEAL EFFECTIVELY WITH U.S. POLICY INTERESTS HERE. END SUMMARY.

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2. THIRTY YEARS AFTER THE BRITISH DEPARTED, AND SIX MONTHS INTO THE MARTIAL LAW ADMINISTRATION OF CHIEF OF ARMY STAFF GENERAL ZIA-UL-HAQ, PAKISTAN SEEMS TO BE FLOUNDERING A BIT, AND PUBLIC RESTIVENESS IS GRADUALLY GROWING. THE MLA -- EVEN WITH THE BEST OF INTENTIONS -- HAS COME UP AGAINST THE HARSH REALITIES OF POLITICAL AND ECONOMIC LIFE IN THIS COUNTRY, JUST AS EACH OF ITS PREDECESSORS HAS DONE. AND PAKISTAN'S QUEST FOR SECURITY, FOR NATIONAL IDENTITY, FOR GENUINE ECONOMIC PROGRESS, AND FOR THE EVOLUTION OF STABLE INSTITUTIONS CAPABLE OF EFFECTIVE AND POPULAR GOVERNANCE SEEMS AS FAR FROM SATISFACTION AS EVER.

3. POLITICS IN PAKISTAN REMAIN HIGHLY PERSONAL AND PERMEATED WITH STRONG ISLAMIC IMAGERY. POLITICAL PARTIES REMAIN FLOATING ALLIANCES BUILT AROUND AND MEANT TO SERVE THE AMBITIONS OF INDIVIDUALS. REGIONALISM IS ROUTINELY EQUATED WITH SEDITION. OPPOSITION NEVER SEEMS TO BE REGARDED AS "LOYAL". AND FOREIGN FORCES ARE ALWAYS ASSUMED TO BE BEHIND ALL MATTERS OF NATIONAL CONSEQUENCE. GOVERNMENT POLICY, MOREOVER, IS A PATCHWORK OF IDEOLOGICAL INCONGRUITIES, PERSONAL WHIMSY, BUREAUCRATIC CAUTION, POLITICAL NAIVETE, AND THE UNRELENTING PRESSURES GROWING OUT OF THE REALITIES OF PAKISTAN'S POVERTY.

4. PAKISTAN'S PRESENT CIRCUMSTANCE CAN BEST BE SUMMED UP IN TERMS OF A SERIES OF QUANDARIES:

-- THE MILITARY, PERHAPS PAKISTAN'S ONLY TRULY NATIONAL INSTITUTION, MANAGES THE LAW AND ORDER SITUATION REASONABLY WELL. YET IT IS ILL-EQUIPPED, BY TRAINING, TRADITION, AND INCLINATION TO COPE WITH THE COMPLEXITIES OF MANAGING, DEVELOPING, AND DEFENDING A COUNTRY OF 75 MILLION. IT LOOKS IMPATIENTLY AND VAINLY FOR SHORTCUTS TO ACCOMPLISH ITS LIMITED AIMS, TO SET THE COUNTRY ARIGHT, AND TO RETURN AGAIN TO THE CANTONMENTS.

-- THE NATION SEEMS GENERALLY CONTENT WITH THE RELATIVELY "VELVET GLOVE" MARTIAL LAW ADMINISTRATION OF GENERAL ZIA, AND INDEED, THE SUBDUED AUTHORITARIANISM OF THE PRESENT REGIME PROBABLY SUITS THE TRADITIONAL TEMPER OF THE PEOPLE. YET THE
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MEMORIES OF THE "BAD OLD DAYS" ARE FADING, IMPATIENCE WITH THE CONSTRAINTS ON POLITICAL ACTIVITY IS GROWING, AND IT IS CLEAR THAT THE PARTIES AND THE PEOPLE WILL NOT HAPPILY SUPPORT A LONG PERIOD OF MARTIAL LAW RULE.

-- MOST OF THE POLITICAL LEADERS WHO OPPOSED FORMER PRIME MINISTER BHUTTO'S PAKISTAN PEOPLES PARTY (PPP) PROCEED IN THE ASSUMPTION THAT NORMAL POLITICAL LIFE WILL BE RESTORED ONCE THE "PROCESS OF ACCOUNTABILITY" -- THE MLA'S CLEANSING AND RETRIBUTION MECHANISM -- DESTROYS THE POLITICAL EFFECTIVENESS OF THE PPP AND ITS FORMER LEADERS. YET THE WAY TO A GENUINE RESTORATION OF CIVIL

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POWER WHICH IS BOTH DEMOCRATIC AND DENIES THE PPP THE FRUITS OF ITS UNDOUBTED POPULARITY -- AND BEYOND THAT, TO THE EVOLUTION OF A WORKING POLITICAL SYSTEM WHICH PERMITS ORDERLY CHANGE AND RESTRAINS THE AUTHORITARIAN INSTINCTS OF THIS SOCIETY -- REMAINS AS MURKY AS EVER. AND TIME ITSELF OFFERS NO REMEDY.

-- AS NOTED ABOVE, THIS IS A "GENTLE" MLA IN HUMAN RIGHTS TERMS; THERE IS A CAREFULLY SUSTAINED SEMBLANCE OF CONSTITUTIONALITY, WITH THE COURT SYSTEM CONTINUING TO OPERATE AND THE SUPREME COURT HAVING BLESSED THE REGIME'S TAKEOVER WITH A "DOCTRINE OF NECESSITY". MORE THAN 11,000 PERSONS IN DETENTION ON 5 JULY ON CHARGES GROWING OUT OF THE POLITICALLY REPRESSIVE CHARACTER OF THE BHUTTO REGIME HAVE BEEN SET FREE. YET THERE IS AN OBSCURANTIST IMPULSE IN THE COUNTRY TODAY, CONNECTED WITH AN ISLAMIC RENAISSANCE, A GREATER EMOTIONAL BOND WITH THE OTHER NATIONS OF ISLAM, AND THE PURITANICAL ATTITUDES OF THE MARTIAL LAW RULERS, WHICH HAS MET DISSIDENCE WITH RIGOROUS IMPRISONMENT (HARD LABOR) AND PUBLIC FLOGGING AND WHICH SEEKS GREATER KORANIC INFLUENCE IN THIS SOCIETY. MOREOVER, IN ORDER TO KEEP "PUBLIC ORDER" IN THE FACE OF THE PPP'S DELIBERATE EFFORTS TO DISRUPT IT AND TO DISCREDIT THE MLA, THE MARTIAL LAW ADMINISTRATORS THEMSELVES HAVE HAD TO KEEP THE FORMER PRIME MINISTER LOCKED UP AND TO DETAIN AS MANY AS 300 OF HIS FOLLOWERS, INCLUDING HIS WIFE

AND DAUGHTER.

-- ECONOMICALLY, THE MLA HAS MOVED FROM A POSITION OF NAIVE DISINTEREST TO ONE OF ACTIVE IF NOT ALWAYS EFFECTIVE CONCERN. WHILE THE IMMEDIATE POLITICAL CONSEQUENCES OF THE MLA'S RECENT POLICY DECISIONS (REFS A AND B) REMAIN UNCLEAR, MOST ECONOMIC OBSERVERS BELIEVE THAT ZIA'S MOVEMENT TOWARD A FREER MARKET AND AN AGRICULTURALLY-ORIENTED ECONOMIC REGIME WILL ULTIMATELY BE HELPFUL TO THE COUNTRY. BUT THE NEW POLICIES ARE BASED ON THE ADVICE OF THE CIVIL SERVICE WHICH IS LESS SENSITIVE TO IMMEDIATE POLITICAL CONCERNS, AND OPTICAL MEASURES TO EASE THE BITE OF RISING PRICES,
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AND ESPECIALLY OF UNEMPLOYMENT, HAVE BEEN GENERALLY LESS APPARENT TO THE PUBLIC AT LARGE. MOST OF THESE NEW INITIATIVES HAVE BEEN AIMED AT REMOVING THE DISTORTIONS CAUSED BY THE PREVIOUS BHUTTO REGIME AND FOCUSING ON THE MEDIUM TO LONG-TERM ASPECTS OF ECONOMIC DEVELOPMENT. ECONOMIC PROBLEMS AND DEFICIENCIES ARE FRANKLY AND PUBLICLY DISCUSSED, IN CONTRAST TO THE PREVIOUS REGIME'S EFFORTS TO GLOSS OVER SHORTCOMINGS. YET, BY THEIR NATURE MOST OF THE REGIMES ECONOMIC MEASURES WILL TAKE SOME TIME TO SHOW RESULTS, AND THERE IS SOME QUESTION AS TO WHETHER OR NOT THE PRESENT GOVERNMENT HAS THE TIME TO SATISFY GROWING DOMESTIC UNEASE AS WELL AS INTERNATIONAL DONOR IMPATIENCE.

-- ZULFIKAR ALI BHUTTO REMAINS THE SINGLE MOST DYNAMIC POLITICAL FORCE IN THE COUNTRY. MOST OF THE NUMERICALLY SMALL CLASS OF THE BETTER-EDUCATED BELIEVES HIM GUILTY OF THE EXCESSES FOR WHICH HE IS BEING TRIED IN THE CIVIL COURTS; THEY HOPE HE WILL BE REMOVED FROM THE POLITICAL SCENE. YET, THE FARMER AND THE MAN ON THE ROADSIDE DO NOT SEEM TO CARE ABOUT HIS ILLEGALITIES (PERHAPS ASSUMING -- WITH SOME REASON -- THAT ALL NATIONAL LEADERS BEHAVE LIKE MOGHUL EMPERORS). THEY APPEAR STILL TO BE IMPRESSED BY THE POPULIST VISIONS HE PROMOTED. THUS TO SOME, BUT NOT TO THE BULK OF THE EDUCATED, HE APPEARS A MARTYR WHOSE PROSECUTORS SEEM BENT MORE ON VENGEANCE THAN ON JUSTICE. IT SHOULD BE NOTED ALSO THAT DEPENDING UPON THE PAKISTANI SOURCE, WE ARE WIDELY BLAMED FOR OR CREDITED WITH BHUTTO'S FALL LAST JULY.

-- PAKISTAN DOES NOT WANT FOR ALTERNATIVE POLITICAL LEADERS, BUT FEW HAVE SO FAR PROVED EFFECTIVE, AND MANY HAVE BEEN AROUND FOREVER. NONE, AS YET HAS EMERGED WITH ANY HOPE OF DISPLACING THE STILL YOUTHFUL BHUTTO IN THE PUBLIC MIND. YET FEW THOUGHTFUL OBSERVERS SEE ANYTHING BUT CHAOS OR HARSH DICTATORSHIP SHOULD BHUTTO BE ALLOWED TO RETURN. AND THE ARMY LEADERSHIP -- COMMITTED TO PREVENTING THAT RETURN IN ITS OWN AND THE COUNTRY'S INTERESTS -- SEEMS POWERLESS TO DIMINISH HIS PUBLIC IMAGE OR HIS PROSPECTS.

5. THESE QUANDARIES ARE THE BACKDROP TO ALL ASPECTS OF THE COUNTRY'S POLITICAL AND ECONOMIC LIFE AS PAKISTAN ENTERS WHAT PROMISES NOW TO BE ANOTHER ELECTION YEAR.

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A. THE PARTIES:

-- THE PPP RETAINS STRONG SUPPORT, AND THE EXTENT TO WHICH RURAL PAKISTAN STILL SYMPATHIZES WITH THE FORMER PM SURPRISES MANY WHO EXPECTED THE PPP TO CRUMBLE OR SPLIT AFTER BHUTTO'S FALL FROM POWER. WHETHER THE PARTY'S DECISION TO STEP UP AGITATION AGAINST THE MLA IS A DESPERATION MOVE BY BEGUM BHUTTO OR REFLECTS HER CONFIDENCE THAT THE PPP CAN EFFECTIVELY CHALLENGE THE MLA IS NOT YET CLEAR. DIVIDED IDEOLOGICALLY AND TACTICALLY, THE PARTY STILL REMAINS TOGETHER, AND IT POSES THE CLEAREST ALTERNATIVE TO THE MLA. IT ALSO POSES A CONTINUED IF LIMITED THREAT TO ZIA'S ATTEMPTS TO KEEP THE COUNTRY QUIET, AS WITNESS THE EFFORT THE MLA FOUND NECESSARY IN ORDER TO PREVENT THE PPP'S JANUARY 5 OBSERVANCES FROM GETTING OUT OF HAND (REF E).

-- THE PAKISTAN NATIONAL ALLIANCE (PNA) DOES NOT PROMISE BROADLY ACCEPTABLE OR COHERENT ALTERNATIVE LEADERSHIP. THE PNA REMAINS THE LOOSE, VARIEGATED ANTI-BHUTTO COALITION OF PARTIES IT WAS WHEN IT ACHIEVED ITS ORIGINAL AIM OF BRINGING HIS REGIME TO ITS KNEES. HOWEVER, IT SEEMS TO HAVE LOST ITS ZIP AND MAY BE LESS THAN THE SUM OF ITS PARTS. ASGHAR KHAN HAS TAKEN HIS SHADOWY TEHRIQ-I-ISTIQLAL OUT OF THE ALLIANCE. HE HAS NOT YET CAUGHT THE POPULAR IMAGINATION, HOWEVER, AND MAY HAVE SET A COURSE WHICH LEADS FARTHER INTO THE WILDERNESS. WALI KHAN, RELEASED FROM

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DETENTION BY THE MLA AND SUBSEQUENTLY EXONERATED OF THE BHUTTO GOVERNMENT'S CONSPIRACY CHARGES, HAS A NATIONAL RECOGNITION FACTOR SECOND ONLY TO BHUTTO; HE IS STILL AN EFFECTIVE ORATOR AND A SAVVY POLITICIAN, AND HIS ENTRY INTO THE NATIONAL DEMOCRATIC PARTY -- A CONSTITUENT OF THE PNA -- PROVIDES HIM WITH A USEFUL NATIONAL FORUM. BUT THERE ARE REAL DOUBTS HE CAN DRAW SUPPORT FROM THE PUNJABI HEARTLAND WHERE THERE ARE DEEP SUSPICIONS THAT HE IS FUNDAMENTALLY ANTI-PAKISTAN.

B. THE MILITARY

-- AS THE FECKLESSNESS OF THE POLITICAL SCENE DEMONSTRATES ITSELF ANEW, STRAINS ARE ALSO APPEARING WITHIN THE MILITARY. WE HAVE NO INDICATION THE ARMY WILL MOVE IN THE NEAR FUTURE AGAINST ITS CHIEF, BUT THERE IS SOME UNHAPPINESS WITHIN AT HIS HANDLING THE CURRENT SITUATION. DISSATISFACTION WITH ZIA IS REFLECTED IN SEVERAL VIEWPOINTS, OFTEN CONTRADICTORY, HELD BY VARIOUS GROUPS IN THE ARMY. SOME CONTEND ZIA IS NOT FIRM ENOUGH AND HIS "SOFT, INEFFECTIVE MARTIAL LAW" HAS ONLY EARNED THE MOCKERY OF THE PEOPLE. OTHERS BELIEVE THE PEOPLE BLAME THE MILITARY FOR THE NATION'S PROBLEMS WHEN IT IS REALLY THE CIVIL SERVICE WHICH IS RESPONSIBLE; THEY URGE ZIA TO BRING THE BUREAUCRATS TO HEEL AND TO PROVIDE GUIDANCE TO SHAPE FUTURE DEVELOPMENTS. THERE ARE THOSE ALSO WHO STILL FEEL STRONGLY THAT THE ARMY GETS CORRUPTED BY ITS POLITICAL ROLE, THAT THE MILITARY SHOULD NOT BE IN POLITICS AT ALL, AND THAT ZIA IS TO BLAME FOR THE PRESENT DILEMMA.

-- TRADITIONS IN THE MILITARY REMAIN STRONG, NONETHELESS, AND

WE BELIEVE, IN THE NEAR FUTURE AT LEAST, THAT DISCIPLINE AND RESPECT FOR THE OFFICE OF THE CHIEF OF ARMY STAFF WILL HOLD THE ARMY IN CHECK BEHIND ZIA. IF DISSATISFACTION GROWS IN THE STREETS AND IF IT SEEMS ZIA CANNOT COPE, THEN IT IS POSSIBLE THE MILITARY WILL, IN THE FUTURE, MOVE AGAINST HIM. IF THIS WERE TO HAPPEN, WE THINK IT WOULD NOT BE A "COLONELS' REVOLT" BUT RATHER A QUIET AND PEACEFUL OUSTER BY ONE OF ZIA'S SENIOR, POSSIBLY LESS ABLE,

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COLLEAGUES. RUMORED SHIFTS AMONG THE TOP BRASS MAY BE INTENDED BY ZIA TO PROTECT HIMSELF IN THIS RESPECT.

C. THE ECONOMY

-- THE MLA IS BUFFETED ALSO BY THE COUNTRY'S ECONOMIC PROBLEMS. MOST OF PAKISTAN'S ECONOMIC ILLS, OF COURSE, CAN BE ATTRIBUTED TO THE 1973/74 OIL PRICE HIKES, TO WORLD-WIDE INFLATION AND RECESSION, TO BAD WEATHER, AND TO THE POLICIES OF THE PREVIOUS GOVERNMENT. WHILE OTHER COUNTRIES ALSO FACE PROBLEMS IN SOME WAYS SIMILAR TO PAKISTAN'S, THE PROBLEMS THE MLA FACES ARE EXCEPTIONALLY SERIOUS, PARTLY IN THEMSELVES AND PARTLY BECAUSE OF THE LACK OF LEGITIMACY OF THE CURRENT REGIME AND THE VOLATILITY OF THE POPULATION.

-- THE MOST SIGNIFICANT ANTI-INFLATIONARY DEVICE IS THE IMPORTATION OF LARGE AMOUNTS OF WHEAT, MUCH OF IT FOR CASH, TO KEEP THE RATION SHOPS SUPPLIED WITH FIXED-PRICE WHEAT AND EXERT DOWNWARD PRESSURE GENERALLY ON WHEAT PRICES IN PAKISTAN. THIS MAKES GOOD POLITICAL SENSE.

-- PAKISTAN'S ECONOMY IS NOW UNDER CLOSE SCRUTINY FROM INTERNATIONAL LENDING INSTITUTIONS AND DONOR NATIONS BECAUSE OF THE GOP'S PRECARIOUS BALANCE OF PAYMENTS SITUATION AND ITS LATEST CALL FOR SOME FORM OF DEBT RELIEF. THE MLA'S POLICY OPTIONS ARE THUS CIRCUMSCRIBED NOT ONLY BY DOMESTIC CONCERN FOR PRICES AND EMPLOYMENT AND BY THE LIMITED POLITICAL SENSE OF THE CIVIL SERVICE MANAGERS, BUT ALSO BY INTERNATIONAL CONCERN FOR PAKISTAN'S ABILITY TO PAY ITS DEBTS. SIMPLY PUT, IF PAKISTAN CONTINUES TO WANT TO SHOW THE WORLD THAT IT IS MAKING THE DIFFICULT DECISIONS NECESSARY TO GET THE COUNTRY'S ECONOMY MOVING, THE MLA RISKS INCREASING UNREST AT HOME.

D. FOREIGN AFFAIRS

-- IN FOREIGN AFFAIRS, ZIA HAS LEARNED FAST FROM THE "PROS," AGHA SHAHI, HIS DE FACTO FOREIGN MINISTER, ATTORNEY GENERAL PIRZADA, A FORMER FOREIGN MINISTER, AND A. K. BROHI, THE CLARK CLIFFORD OF PAKISTAN, NOW ZIA'S UN REPRESENTATIVE. LESS CONCERNED THAN HIS PREDECESSORS ABOUT THE LINKAGE BETWEEN DOMESTIC AFFAIRS

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AND FOREIGN POLICY MATTERS, ZIA'S EFFORTS HAVE BEEN DIRECTED AT TENDING ALL OF PAKISTAN'S FENCES ABROAD, COURTING THE ARABS AND THEIR PURSES, KEEPING CLOSE TO HIS CHINESE ARMORERS, KEEPING A LOW PROFILE ON MATTERS NEARER HOME IN SOUTH ASIA, IMPROVING THE TONE IF NOT THE CONTENT OF PAKISTAN'S RELATIONS WITH THE US AND THE UK, ATTEMPTING TO ASSUAGE THE SHAH'S ANXIETIES, KEEPING THE PRESSURE ON THE FRENCH ON THE NUCLEAR REPROCESSING CONTRACT, AND CULTIVATING PAKISTAN'S ISLAMIC IMAGE -- THESE LAST WITH ADVANTAGEOUS DOMESTIC IMPLICATIONS AS WELL.

-- THE NUCLEAR REPROCESSING ISSUE REMAINS AT THE HEART OF PAKISTAN'S DIFFICULTIES WITH THE US, BUT ZIA HAS SOUGHT OCCASIONS TO REMIND US THAT HE SEEKS CLOSE AND FRIENDLY RELATIONS WITH THE US AND THAT HE DOES NOT WANT THIS ISSUE TO DESTROY THE LONG AND VALUED LINKS WE HAVE DEVELOPED OVER THE YEARS. THIS GOVERNMENT WILL NOT AND CANNOT RETREAT ON THE ISSUE, HOWEVER, AND RECENT DEVELOPMENTS IN REACTION TO PRESIDENT CARTER'S VISITS TO INDIA AND TO FRANCE (REF D) SUGGEST THE ISSUE MAY AGAIN BE BROUGHT TO THE FRONT BURNER.

-- ARMS SALES QUESTIONS, ON THE OTHER HAND, REMAIN AT THE BACK OF THE STOVE. WE HAVE BEEN AUTHORITATIVELY INFORMED (SEPTTEL) THAT NO NEW AIRCRAFT PURCHASE REQUESTS WILL BE MADE OF US UNLESS THERE IS PRIOR INDICATION A FAVORABLE RESPONSE WILL BE FORTHCOMING.

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PAKISTAN'S ECONOMIC CONDITION, IN ANY EVENT, MAKES SATISFACTION OF ITS NEED FOR A NEW GENERATION OF COMBAT AIRCRAFT A QUIESCENT LUXURY WHICH ONLY INDIAN ACQUISITION OF A NEW GENERATION OF AIRCRAFT, OR "A LITTLE HELP" FROM PAKISTAN'S ARAB FRIENDS, MIGHT REVIVE.

THE YEAR AHEAD

6. AS THE MLA PREPARES FOR WHAT IS WIDELY ANTICIPATED TO BE AN ELECTION YEAR, WE DO NOT SEE ANY IMMEDIATE THREAT TO ZIA'S RULE. THERE ARE DISCONCERTING SIGNS OF DISSATISFACTION AS NOTED ABOVE, HOWEVER, AND ZIA'S ABILITY TO CONTINUE TO LEAD THE COUNTRY UNTIL ELECTIONS OR HIS ABILITY TO PERMIT ELECTIONS TO OCCUR IS NOT GUARANTEED.

7. THE CENTRAL QUESTION OF WHETHER MARTIAL LAW WILL END THIS YEAR IN PAKISTAN DEPENDS LARGELY ON ZIA, AND ON HOW WELL HE HANDLES THE QUANDARIES WITH WHICH HE AND PAKISTAN ARE FACED. WE HAVE NO DOUBT ZIA WANTS AND INTENDS TO SURRENDER POWER. THE POLITICAL DILEMMA HE FACED ON JULY 6 AFTER HE HAD REMOVED BHUTTO FROM OFFICE STILL FACES HIM, HOWEVER, AND HE HAS NOT YET FOUND A SOLUTION. BHUTTO'S RETURN TO POWER IS UNACCEPTABLE TO THE ARMY AND TO MANY OTHER PAKISTANIS; BUT MOST OBSERVERS AGREE, EVEN IF IT IS GUESSWORK, THAT IF FREE ELECTIONS WERE HELD NOW, THE PPP WOULD WELL BE THE WINNER. UNLESS ZIA CAN FIND A WAY TO DIMINISH BHUTTO'S CONTINUING POPULARITY AND/OR DEVELOP ALTERNATIVE CIVILIAN LEADERSHIP HE COULD BE PERSUADED THAT HE CANNOT GIVE UP HIS POSITION.

8. IF THE MLA DOES NOT HOLD ELECTIONS THIS YEAR, THE RESTIVENESS NOW EVIDENCED MAINLY IN THE PPP WILL SPREAD, AND THE CMLA'S

POSITION WILL BECOME INCREASINGLY DIFFICULT. ONE POSSIBLE RESULT
COULD BE A PPP-LED, PRO-BHUTTO STREET MOVEMENT WHICH EVENTUALLY
FORCES THE MILITARY FROM OFFICE AND INSTALLS BHUTTO BACK IN POWER.

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WE HAVE NO PRESENT INDICATION THAT THE PPP IS STRONG ENOUGH OR THE
DIVISIONS IN THE ARMY SERIOUS ENOUGH TO ACHIEVE SUCH A GOAL, BUT
IT IS ONE OF THE ALTERNATIVE OUTCOMES. A SECOND POSSIBLE RESULT
COULD BE A MOVE WITHIN THE MILITARY TO REPLACE ZIA WITH SOMEONE
WILLING TO INTRODUCE A TOUGHER MARTIAL LAW ADMINISTRATION --
HARDLY A LONG-TERM SOLUTION. FINALLY, THERE COULD BE A MILITARY
MOVE AGAINST ZIA IN FAVOR OF INSTALLING A NEW CIVILIAN GOVERNMENT,
REGARDLESS OF ITS POPULAR ACCEPTABILITY. ONCE AGAIN, THIS DOES NOT
LOOK TO BE A LASTING SOLUTION.

9. ZIA MUST ALSO FIND BALANCE BETWEEN SOUND ECONOMICS AND LIMITING
THE POLITICAL DAMAGE HIS ECONOMIC REFORMS CAN CAUSE. THIS REQUIRES
A POLITICAL FINESSE AND ACUMEN THAT THE CMLA HAS NOT YET
EXHIBITED. FINALLY, ZIA MUST CONTROL DISCONTENTED FACTIONS IN THE
MILITARY AND TRY TO ENSURE THE ARMY'S CONTINUED LOYALTY. EACH OF
THESE GOALS WILL BE DIFFICULT TO ACHIEVE AND REQUIRES CONSIDERABLE
POLITICAL KNOW-HOW. ALTHOUGH ZIA'S TRACK RECORD SO FAR MAKES IT
DIFFICULT TO BE OPTIMISTIC ABOUT HIS PROSPECTS FOR HANDLING THE
TICKLISH PERIOD AHEAD (REF E), HE HAS SHOWN A CAPACITY TO LEARN,
HIS POLITICAL "PERFORMANCE" HAS IMPROVED, AND IT WOULD BE A
MISTAKE TO SIMPLY WRITE HIM OFF. GIVEN TIME, IT MAY IN FACT BE THE
POLITICIANS, NOT THE GENERAL, WHO WILL BE BELIEVED INCAPABLE OF
LEADING THE COUNTRY.

U.S. INTERESTS

10. AS THE POLITICAL DRAMA UNFOLDS IN 1978, THE US WILL BE
AFFECTED IN TWO WAYS. OUR GENERAL INTEREST IN REGIONAL STABILITY
AND PEACE IS OBVIOUSLY INFLUENCED BY THE KIND OF GOVERNMENT WHICH
EMERGES IN PAKISTAN. WEAK AND INSECURE MILITARY OR CIVILIAN RULE,
BESET WITH POPULAR DISSATISFACTION IS NOT IN OUR INTEREST; A
RETURN OF MR. BHUTTO, WITH CONSEQUENT DIVISIVENESS AND
VINDICTIVENESS, WOULD NOT BE LIKELY TO SERVE US INTEREST EITHER.
IN SPECIFIC TERMS, SEVERAL ISSUES, KEY AMONG THEM
NON-PROLIFERATION AND ARMS SALES, WHICH REFLECT OUR GLOBAL POLICY
INTERESTS REQUIRE CONSULTATION WITH THE GOP. A SECURE, CONFIDENT,

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GOVERNMENT WITH A MANDATE IS MORE LIKELY TO BE ABLE TO ACT
RESPONSIBLY IN THESE AREAS AND TO DISCUSS THE ISSUES
CONSTRUCTIVELY WITH US THAN AN UNPOPULAR MILITARY GOVERNMENT OR A

SUSPICIOUS AND POSSIBLY HOSTILE BHUTTO
GOVERNMENT. IN A POLICY SENSE, ZIA'S DILEMMA -- AND PAKISTAN'S --
IS OURS ALSO.

11. THIS ASSESSMENT HAS DRAWN HEAVILY ON EXCELLENT AND TIMELY
CONTRIBUTIONS FROM AMCONGENS KARACHI AND LAHORE.
HUMMEL

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